





# City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor  
Floyd Petersen, Mayor pro tempore  
Robert Christman, Councilmember  
Stan Brauer, Councilmember  
Robert Ziprick, Councilmember

COUNCIL AGENDA: January 25, 2005

TO: City Council

VIA: Dennis R. Halloway, City Manager 

FROM: T. Jarb Thaipejr, Public Works Director/City Engineer 

SUBJECT: ESTABLISHING A DISADVANTAGED BUSINESS  
ENTERPRISE (DBE) PROGRAM AND DBE GOALS FOR FEDERAL  
FINANCIAL ASSISTANCE PROJECTS

## RECOMMENDATION

It is recommended that the City Council adopt Council Bill No. R-2005-9 establishing a Disadvantaged Business Enterprise (DBE) program and DBE goals for Federal financial assistance projects.

## BACKGROUND

As a condition of Federal financial assistance pursuant to recently revised regulations set forth under Title 49 CFR, Part 26; Participation by Disadvantaged Business enterprise in Department of Transportation Programs, the City of Loma Linda is required to develop and submit a Disadvantaged Business Enterprise Program and Overall Annual Goal for DBE participation on U.S. Department of Transportation assisted contracts. In accordance with these regulations, the City has developed, and CALTRANS has reviewed and approved, a Final DBE Program and established an Overall Annual DBE Goal for Federal Fiscal Year (FFY) 2004/05 in order to ensure full compliance with relevant regulatory requirements.

The City's DBE Program established **Overall Annual DBE Goal is 6 percent of the Federal financial assistance in FHWA-assisted contracts for the federal Fiscal year 2004/2005.** This goal was developed utilizing the Federal goal setting methodology that is described in detail in the attached "APPENDIX D". Briefly, the baseline goal above was obtained by identifying the types of work categories involved in the federally-assisted projects for this fiscal year and dividing the number of *established DBE firms* within San Bernardino County by the number of *all established firms* within San Bernardino County in these identified work categories. Data for this process was obtained from current official state and federal sources. This process will be repeated annually to maintain relevancy to local market conditions and factors impacting DBE availability.

## FINANCIAL IMPACT

There is no financial impact to the City.

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LOMA LINDA, ESTABLISHING A DISADVANTAGED  
BUSINESS ENTERPRISE (DBE) PROGRAM AND DBE  
GOALS FOR FEDERAL FINANCIAL ASSISTANCE  
PROJECTS

WHEREAS, 49 CFT Part 23 heretofore requires a Disadvantaged Business Enterprise (DBE) Program for recipients of Department of Transportation funds; and

WHEREAS, the Federal Register states that all sub-recipients of Department of Transportation funds must prepare their own DBE Program; and

WHEREAS, the City of Loma Linda intends to be a sub-recipient of Department of Transportation funds;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Loma Linda does hereby find as follows:

1. The City of Loma Linda hereby adopts the DEB Program, which is attached hereto as Exhibit "1" and incorporated in this resolution; and

2. The following DBE goals are established for the period of October 1, 2004 to September 30, 2005:

Disadvantaged Business Enterprises Goal of 6.0%

PASSED, APPROVED AND ADOPTED this 25th day of January 2005 by the following vote:

Ayes:  
Noes:  
Absent:  
Abstain:

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Karen Gaio Hansberger, Mayor

ATTEST:

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Pamela Byrnes-O'Camb, City Clerk

# **CITY OF LOMA LINDA**



## **Proposed Regional Baseline DBE Goal Methodology *for* FFY 2004/2005**

***Submitted in fulfillment of:***

***Section 1101 of the Transportation Equity Act for the 21<sup>st</sup> Century  
Title 49 Codes of Federal Regulations, Part 26  
And  
Caltrans Local Assistance Procedures Manual***

**APPENDIX D**

**CITY OF LOMA LINDA  
BASELINE DISADVANTAGED BUSINESS ENTERPRISE (DBE)  
GOAL METHODOLOGY  
FOR  
FEDERAL FISCAL YEAR (FFY) 2004/2005  
(October 1, 2004 to September 30, 2005)**

**INTRODUCTION:**

An Overall Annual Goal was established for DBE participation in City of Loma Linda's FY 2003/2004 DOT-assisted contracts in compliance with recently revised federal regulations set forth in Title 49 CFR, Part 26, *Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs* and in Caltrans' *Local Assistance Procedures Manual*. The recommended **Overall Annual DBE Goal for contracts assisted by DOT is 6%**. This goal identifies the relative availability of DBEs based on evidence of ready, willing and able DBEs in relationship to all comparable businesses, which are known to be available to compete for the City of Loma Linda's DOT-assisted contracts. The following describes the methodology undertaken to establish the recommended goal and the race-neutral and race-conscious measures, which would be applied to achieve the overall goal.

**I. DOT ASSISTED CONTRACTING PROGRAM FOR FFY 2004/05**

**Table 1** below presents the anticipated areas of contracting, by project type for which the City of Loma Linda (City) intends to disburse Department of Transportation (DOT) assisted funds for transportation-related projects in FFY 2003/04, as follows:

**Table 1**

Project Type
Street Construction
Street Rehabilitation
Signalization
Bridge Seismic Retrofit

**APPENDIX D**

**Table 2** below represents a summary of corresponding subspecialty work areas grouped under two primary categories; *Construction and Professional Services*. The Caltrans DBE Directory Work Category Codes (WWC) and Descriptions and comparable 1997 and 1998 Census Business Patterns database, North American Industry Classification System (NAICS) work category codes utilized are also presented, as follows:

**Table 2**

PRIMARY WORK CATEGORY DESCRIPTION	CALTRANS WORK CATEGORY CODES	NAICS CATEGORY
<b>CONSTRUCTION:</b>		
Highway & Street Construction	C1601, C1910, C2000, C2201, C3910, C3901, C5620, C7112, C7191, C8406, C8501, C8602, C1901, C5110, C5135, C7301	23411
<b>PROFESSIONAL SERVICES:</b>		
Engineering Services	C8703, C8720, C8760, C8770	54133

## II. GOAL-METHODOLOGY

### *Step I: Determination of a Base Figure (26.45)*

To determine a Base Figure of relative availability of DBEs, the City embraced a methodology which included a review of the ratio of all available (ready, willing and able) established DBE firms in relation to all available established firms within the City's market area. This was accomplished by utilizing the Caltrans on-line Bulletin Board System (BBS) DBE Directory of Certified Firms within the two primary work categories as its numerator and the 1997 and 1998 U.S. Census Bureau County Business Patterns (CBP) Database of all comparable established firms as its denominator. The City made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

To derive the relative availability of DBEs for each major work category, the City divided the numerator<sup>1</sup> by the denominator<sup>2</sup>, which yielded a Base Figure, utilizing the following formula:

$$\frac{\text{Number of Ready, Willing and Able DBE Firms}}{\text{Number of All Available Firms}} = \text{BASE FIGURE}$$

<sup>1</sup> Numerator represents all available established DBE firms within the San Bernardino County.

<sup>2</sup> Denominator represents all available established firms within the San Bernardino County.

**APPENDIX D**

**Table 3** below presents the results of the application of this formula within each major category, and the basis for calculating the resultant Base Figure of the relative availability of DBEs.

**Table 3**

$$\text{Base Figure} = \frac{(\text{DBEs in C1601, C1910*})}{\text{CBPs in NAICS 23411**}} + \frac{(\text{DBEs in C8703, C8720*})}{\text{CBPs in NAICS 23571**}}$$

$$\text{Base Figure} = \left[ \frac{(36)}{945} + \frac{(8)}{337} \right]$$

$$\text{Base Figure} = [.03810 + .02374]$$

$$\text{Base Figure} = (.0618) 100 = 6.18 = 6\%***$$

\* For detailed listing of all Caltrans Work Categories grouped in each major category, refer to City's Regional DBE Goal Analysis for FFY 2003/2004, Attachment I.

\*\* For detailed listing of all NAICS and SIC Work Codes grouped in each major category, refer to City's Regional DBE Goal Analysis for FFY 2003/2004, Attachment II.

\*\*\* Rounded to the nearest whole number.

**Step II: Adjustment of the Base Figure**

The Base Figure of 6% was not further adjusted, as each respective member agency within City's jurisdiction will perform this task to ensure narrow tailoring, in conformance with Title 49 CFR, Part 26 prescribed goal setting methodology. Therefore, the resultant Base Figure remains 6%.

**III. OVERALL ANNUAL GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONCIUS PARTICIPATION**

**The Overall Annual (FFY 2004/2005) DBE Goal for the City of Loma Linda's DOT-assisted contracts is 6%.** The Overall Goal is expressed as a percentage of all DOT-assisted funds that the City of Loma Linda will expend in FHWA-assisted contracts in the forthcoming fiscal year.

This goal further serves to identify the relative availability of DBEs based on evidence of ready, willing, and able DBEs compared to all firms known to be available to compete for and

## **APPENDIX D**

perform on the City of Loma Linda's DOT-assisted contracts. The Overall Annual Goal reflects a determination of the level of DBE participation, which would be expected absent the effects of discrimination. **The City of Loma Linda projects to meet 3% of the goal utilizing race-neutral methods, including making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses in conformance with new regulatory requirements. The City of Loma Linda projects to meet the remaining 3% of the goal utilizing race-conscious measures, including utilizing contract-specific numeric goals, as necessary, to achieve the overall goal.**

### **IV. PUBLIC PARTICIPATION AND FACILITATION**

In conformance with Public Participation Regulatory Requirements of Title 49 CFR, Part 26 and Caltrans Local Assistance Procedures Manual (LAPM), this goal analysis will be offered for review by minority, women, local business chambers, and community organizations within the City of Loma Linda's geographic market area.

Additionally, the City of Loma Linda will publish a Public Notice in general circulation media announcing the City's overall Annual Goal for the FFY 2004/2005 DOT-assisted contracts. Such notice will inform the public that the proposed goal and its rationale is available for inspection at the City of Loma Linda's Public Works Department during normal business hours for 30 days following the date of the Public Notice and that the City of Loma Linda will accept comments on the goal analysis for 45 days from the date of the Public Notice. The required public participation provisions will be fully satisfied prior to submitting the City of Loma Linda's DBE Program and Overall Annual DBE Goal to Caltrans for final review and approval.

**APPENDIX D**

**CITY OF LOMA LINDA**

**DBE GOAL ANALYSIS FOR FFY 2004/2005**

**ATTACHMENT I**

**ESTABLISHMENT OF THE NUMERATOR:**

**# OF ESTABLISHED DBE FIRMS IN SAN BERNARDINO COUNTY<sup>1</sup>**

S.B. COUNTY ZIP CODES						
<b>CONSTRUCTION:</b>						
<b>NAICS CODE:</b>						
<b>23411 Highway &amp; Street Construction</b>	<b>917</b>	<b>922</b>	<b>923</b>	<b>924</b>	<b>935</b>	<b>TOTAL</b>
C1601 Clearing & Grubbing	6	0	5	5	0	16
C1910 Grading						
C2000 Highway Planting						
C2201 Finishing Roadway						
C3910 Paving Asphalt						
C3901 Asphalt Concrete	1	0	1	2	0	4
C5620 Roadside Sign						
C7112 Reinforce Concrete Sewer Pipe						
C7191 Sewer Manhole						
C8406 Painted Traffic Stripe & Marking						
C8501 Pavement Marking	2	0	3	1	0	6
C8602 Signal & Lighting						
C1901 Roadway Excavation						
<b>HIGHWAY &amp; STREET CONSTRUCTION</b>						<b>26</b>
<b>NAICS CODE:</b>						
23571 Concrete Contractors						
C5110 Concrete Surface Finish	7	0	3	0	0	7
C5135 Concrete Block & Masonry Retaining Wall						
C7301 Concrete Curb & Sidewalk						
<b>CONCRETE CONTRACTORS</b>						<b>7</b>
<b>PROFESSIONAL SERVICES</b>						
<b>NAICS CODE:</b>						
54133 Engineering Services	4	0	1	1	0	6
C8703 Traffic Engineer						
<b>NAICS CODE</b>						
54136 Geophysical Surveying & Mapping						
C8760 Surveyor	1	0	0	0	0	1
<b>SIC CODE</b>						
8741 Management Services						
C8770 Construction Management	1	0	0	0	0	1
<b>ENGINEERING SERVICES, GEOPHYSICAL SURVEYING AND MAPPING AND MANAGEMENT SERVICES</b>						<b>8</b>

<sup>1</sup> DATA SOURCE: Caltrans Bulletin Board System List of DBE Certified Firms



**APPENDIX D**

**CITY OF LOMA LINDA**

**DBE GOAL ANALYSIS FOR FFY 2004/2005**

**ATTACHMENT II**

**ESTABLISHMENT OF THE DENOMINATOR:**

**# OF ESTABLISHED DBE FIRMS IN SAN BERNARDINO COUNTY<sup>1</sup>**

**CONSTRUCTION:  
NAICS AND SIC  
CODE**

**NAICS/SIC DESCRIPTION**

23411	HIGHWAY & STREET CONSTRUCTION	56
23412	BRIDGE & TUNNEL CONSTRUCTION	5
23499	ALL OTHER HEAVY CONSTRUCTION	151
23521	PAINTING & WALL COVERING CONTRACTORS	166
23593	EXCAVATION CONTRACTORS	77
23599	ALL OTHER SPECIAL TRADE CONTRACTORS	174
32412	ASPHALT PAVING, ROOFING & SATURATED MATERIAL MANUFACTURING	12
1610	HIGHWAY & STREET CONSTRUCTION	61
33151	FERROUS METAL FOUNDRIES	5
23571	CONCRETE CONTRACTORS	156
23541	MASONRY & STONE CONTRACTORS	82
	<b>TOTAL ESTABLISHED FIRMS</b>	<b>945</b>

**PROFESSIONAL SERVICES:  
NAICS AND SIC  
CODE**

**NAICS/SIC DESCRIPTION:**

54133	ENGINEERING SERVICES	185
54136	GEOPHYSICAL SURVEYING & MAPPING SERVICES	0
8741	MANAGEMENT SERVICES	152
	<b>TOTAL NUMBER OF FIRMS</b>	<b>337</b>

<sup>1</sup> DATA SOURCE: U.S. Census Bureau: County Business Patterns, NAICS and SIC Work